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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

January 26, 2007

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.:050D-261

OAHU

Extension of Approval in Principle of Direct Lease to
Coalition for Specialized Housing for Low-Income Rental
Housing Purposes, Waimano, Oahu, Tax Map Key: (1) 9-7-19:35.

BACKGROUND:

The Land Board at its meeting of January 13, 2006 under agenda Item D-15, granted approval in principle of a lease to the Coalition for Specialized Housing and authorization for the Coalition for Specialized Housing to comply with Chapter 343, Hawaii Revised Statutes, as amended. One of the conditions placed by the Land Board was that should the Coalition for Specialized Housing fail to obtain satisfactory compliance with Chapter 343, Hawaii Revised Statutes, as amended, within twelve (12) months, the Land Board's approval shall be rescinded. (Exhibit A)

By letter dated December 28, 2006, Mr. Wallace J. Inglis, President/Director for the Coalition for Specialized Housing is respectfully requesting a six (6) month extension to finalize the environmental assessment and to obtain a finding of no significant impact (FONSI) for the development of the low-income rental housing project. (Exhibit B) The unexpected delay is due to the Cultural Impact Assessment and Archaeological Inventory Survey requested by the State Historic Preservation Division.

Staff has no objections to the request and apologize for not bringing this to the Land Board's consideration sooner.

RECOMMENDATION: That the Board:

1. Grant Coalition for Specialized Housing until July 13, 2007 to obtain satisfactory compliance with Chapter 343, Hawaii Revised Statutes, as amended
2. All terms and conditions listed in its January 13, 2006 approval to remain the same.

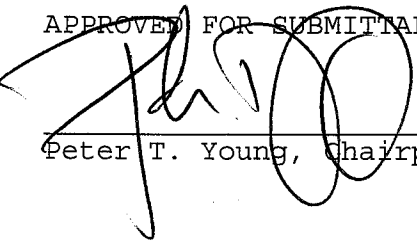
January 26, 2007

Respectfully Submitted,

Charlene E. Unoki

Charlene E. Unoki
Assistant Administrator

APPROVED FOR SUBMITTAL:



Peter T. Young, Chairperson

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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

January 13, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.:05OD-261

OAHU

Approval in Principle of Direct Lease to Coalition for
Specialized Housing for Low-Income Rental Housing Purposes,
Waimano, Oahu, Tax Map Key: (1) 9-7-19:35.

APPLICANT:

Coalition for Specialized Housing, a Hawaii non-profit
corporation, whose business and mailing address is 2349C Palolo
Avenue, Honolulu, Hawaii 96816.

LEGAL REFERENCE:

Section 171-43.1, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Manana and Waimano, Ewa,
Oahu, identified by Tax Map Key: (1) 9-7-19:35, as shown on the
attached map labeled Exhibit A.

AREA:

4.703 acres, more or less.

ZONING:

State Land Use District:	Urban
City & County of Honolulu CZO:	P-2 General preservation district

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State
Constitution: YES _____ NO x

CURRENT USE STATUS:

Vacant and unencumbered.

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
MEETING HELD ON

January 13, 2006

EXHIBIT A

CHARACTER OF USE:

Low-income rental housing purposes.

LEASE TERM:

Sixty-five (65) years

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

ANNUAL RENT:

To be determined upon final submittal to the Land Board upon satisfactory compliance with Chapter 343, Hawaii Revised Statutes, as amended.

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

To be determined upon final submittal to the Land Board upon satisfactory compliance with Chapter 343, Hawaii Revised Statutes, as amended.

PERFORMANCE BOND:

Twice the annual rental amount.

PROPERTY CHARACTERISTICS:

Utilities -all utilities are available
Slope -gentle by Kamehameha Highway entrance; otherwise level
Legal access to property - Staff has verified that there is legal access to the property off of Kamehameha Highway.
Subdivision - Staff has verified that the subject property is a legally subdivided lot.
Encumbrances - Staff has verified that the following encumbrances exist on the property: Hawaiian Electric Company for electric transmission poles and lines; Richard Sunada (LOD 27809) sewer easement; and Glenn Young (LOD 27516) access and utility easement.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This is a request for the Land Board's approval in principle of a lease to the Coalition for Specialized Housing and authorization for the Coalition for Specialized Housing to comply with Chapter 343, Hawaii Revised Statutes, as amended.

DCCA VERIFICATION:

Place of business registration confirmed:	YES	<u> x </u>	NO	<u> </u>
Registered business name confirmed:	YES	<u> x </u>	NO	<u> </u>
Applicant in good standing confirmed:	YES	<u> x </u>	NO	<u> </u>

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Prepare and process, at its own cost, all necessary studies and documentation for compliance with Chapter 343, Hawaii Revised Statutes, as amended.

REMARKS:

The subject property is currently vacant and unencumbered. The subject property was previously encumbered by General Lease No. S-4948 to the Pearl City Youth Complex Association effective February 1, 1985 for youth athletic and recreation purposes. The Land Board on May 13, 2005, under agenda item D-20, mutually agreed to cancel the lease due to the organizations changing leadership, lack of committed volunteers, and lack of financial funding.

The current zoning is preservation. The proposed use would require the Applicant to apply for a zoning change.

Applicant qualifies for a direct lease as a non-profit pursuant to Section 171-43.1, Hawaii Revised Statutes, as amended. Applicant has provided evidence of 501(c)(3) status.

By letter dated November 29, 2005, Mr. Wallace Inglis, President, is requesting preliminary approval to lease the subject property for Coalition for Specialized Housing to develop a low-income rental housing project in partnership with Housing and Community Development Corporation of Hawaii (HCDCH). The Coalition for Specialized Housing needs to apply for State and Federal tax credits, and low interest State Trust Fund loans. Annually, the (9%) Low-Income Housing Tax Credit (LIHTC) and Rental Housing Trust Fund (RHTF) awards are scheduled for June 2006. The 4% State's and Federal Low-Income Housing Tax Credit Program is open to applications throughout the year. (EXHIBIT B)

Next door to the subject property, the Coalition for Specialized Housing has General Lease No. S-5223 effective June 1, 1994 for low or moderate income housing for the elderly and disabled purposes. The facility of 210 units was built in 1996. In the past Mr. Inglis has contacted the Department if the subject property were to become available, they were interested in the property for the expansion of the Hale Mohalu facilities. There is a need for affordable rental units in the State. The skyrocketing real estate market has eliminated rental units in the affordable range. This proposal fulfills an important

EXHIBIT A

housing need for the community. In a few months, the Coalition for Specialized Housing has reviewed the facts and put together a team to complete the project in two (2) years of receiving tax credit awards.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

If Land Board approval in principal is obtained, the Coalition for Specialized Housing will pursue compliance with Chapter 343, Hawaii Revised Statutes, as amended and incorporate agency and community comments.

RECOMMENDATION: That the Board:

1. Approve in principle, a new direct lease to Coalition for Specialized Housing, subject to the following:
 - A. At its own cost Coalition for Specialized Housing shall pursue satisfactory compliance with Chapter 343, Hawaii Revised Statutes, as amended, and obtain a finding of no significant impact (FONSI) within twelve (12) months of the Land Board's approval;
 - B. Should Coalition for Specialized Housing fail to obtain satisfactory compliance with Chapter 343, Hawaii Revised Statutes, as amended, within twelve (12) months, the Land Board's approval shall be considered rescinded;
 - C. Coalition for Specialized Housing acknowledges the following:
 - i) All costs associated with the necessary compliance with Chapter 343, Hawaii Revised Statutes, as amended, shall be borne by Coalition for Specialized Housing;
 - ii) That this action is an approval in principle and does not provide any assurance of a direct lease and such approval of a direct lease shall be subject to consideration by the Land Board under a separate action after satisfactorily complying with Chapter 343, Hawaii Revised Statutes, as amended;
 - iii) That there has been no representations or assurance made regarding the annual rent to be paid under a direct lease. Coalition for Specialized Housing agrees to provide a proposal for rent and justification for such rent in connection with the Land Board's final consideration of a direct lease after

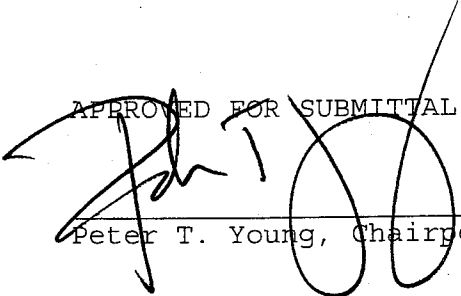
satisfactorily compliance with Chapter 343,
Hawaii Revised Statutes, as amended.

- D. Authorize the Coalition for Specialized Housing to act as agent of the landowner, State of Hawaii to process the zoning change and exemptions of the subject lands.
- E. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


Charlene E. Unoki
Assistant Administrator

APPROVED FOR SUBMITTAL:

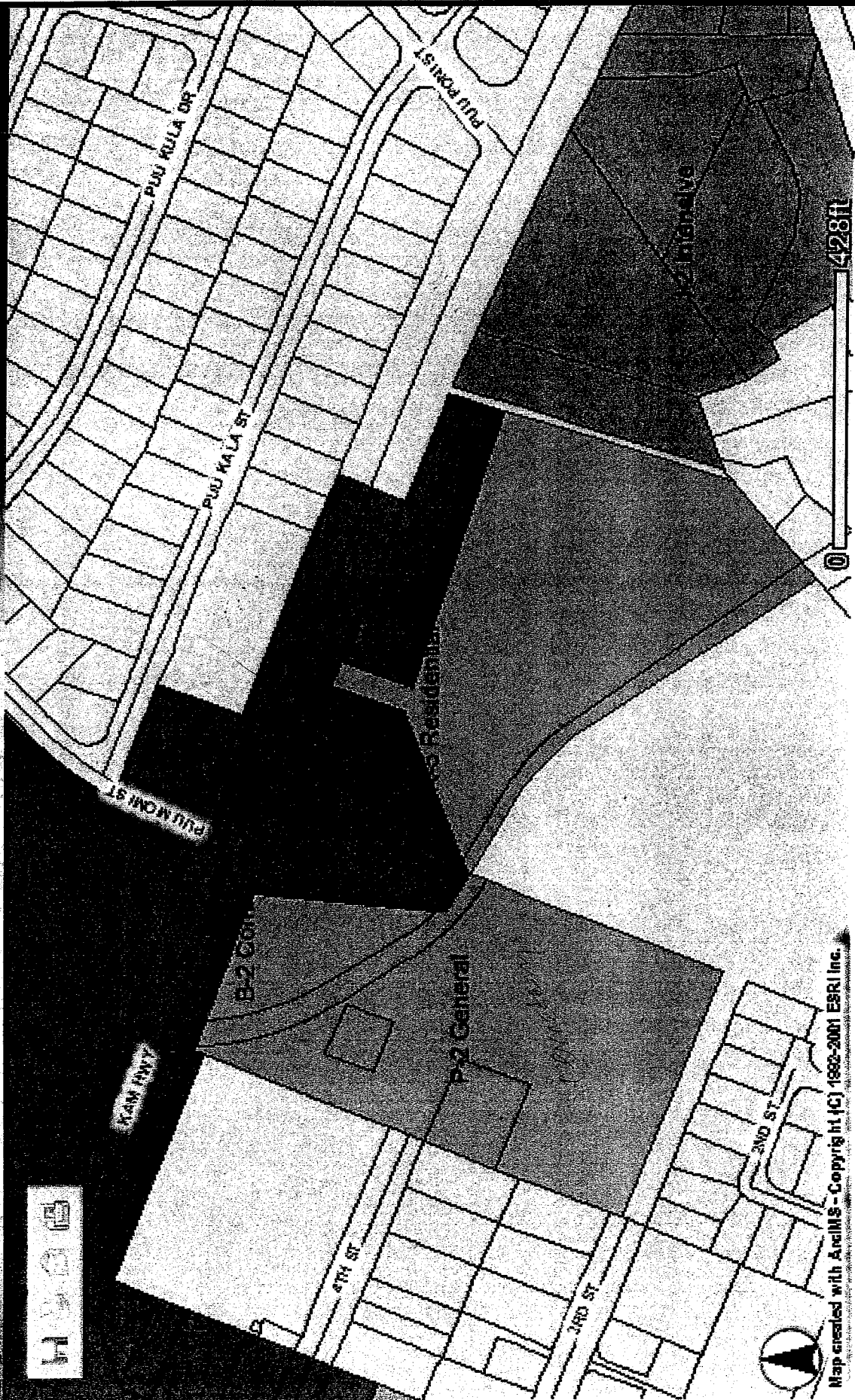


Peter T. Young, Chairperson

EXHIBIT A



City & County of Honolulu
 Department of Planning and Permitting (DPP)



Excerpt from 7onina Map

EXHIBIT A

COALITION FOR SPECIALIZED HOUSING

2349C Palolo Avenue
Honolulu, Hawaii 96816

November 29, 2005

Mr. Peter Young, Chairman
Department of Land and Natural Resources
1151 Punchbowl Street
Honolulu, Hawaii 96813

Dear Mr. Young:

On behalf of the Board of Directors of the Coalition for Specialized Housing ("CSH"), I write to you in regard to the vacant state land formerly occupied by the Pearl City Youth Complex Association (PCYCA). CSH holds General Lease S-5223 for the adjacent Hale Mohalu affordable rental project. The two parcels combined were once the site of Hale Mohalu, a state facility for Hansen's Disease patients.

I attach copies of previous correspondence, dated October 25, 2004 (Exhibit 1) and June 13, 2005 (Exhibit 2), in which we briefly review the history of this land and set forth the hopes of CSH to expand its successful 210-unit senior affordable housing project and provide more units of low-cost housing on the vacant parcel.

The purpose of this letter is to request of the Department of Land and Natural Resources ("DLNR") its preliminary approval to lease the vacant land to our non-profit group to develop low-income rental housing in partnership with the state Housing and Community Development Corporation of Hawaii ("HCDCH") and other government agencies. I also attach a memo of June 28, 2005 (Exhibit 3), in which the HCDCH Executive Director endorses our endeavor. We also have the support of Senator Clarence Nishihara, who represents Pearl City and Waipahu in the Legislature.

Specifically, we are requesting approval to allow CSH to begin the necessary steps of due diligence, planning, financing, etc., for a low-income rental project that will result in DLNR and CSH negotiating and signing a 65-year lease—terms of which would take into consideration our target population of "very low-income" renters, i.e., 50% of the Area Median Income ("AMI") or less.

An immediate and critical step to expedite the development of the property as a very low-income rental project is for CSH to tap into the supply of state and federal tax credits, and low interest state trust fund loans, that are essential to our plan of developing these rental housing units. To be eligible for the next annual cycle of federal and state Low-Income Housing Tax Credit ("LIHTC") and Rental Housing Trust Fund ("RHTF"), awards scheduled for June, 2006, we need to submit our application by January 20, 2006 (Exhibit 4). For this reason, it is urgent that we secure conditional approval from DLNR

EXHIBIT "B"

EXHIBIT A

at the earliest possible date. This action would enable housing to be built and ready for occupancy within two full years of receiving tax credit awards. Delay would mean postponing the project for another year.

The lease between DLNR and CSH would be conditioned upon, among other things, CSH's completion of activities as outlined in the following schedule:

<u>Activity</u>	<u>Target pro-Forma Date</u>
Architectural and engineering design	Dec 2005 – Jul 2006
Coordinate and obtain preliminary approval from state and city to build the project as conceptually designed, e.g., height, density, and access.	Dec 2005 - Dec 2005
Apply for pre-development and interim financing letters of interest and commitments.	Dec 2005 – Jan 2005
Apply for city funds.	Dec 2005 – On-going
Obtain financing and support letters from financial institutions (interim and permanent), tax credit syndication, elected and government officials, brief neighborhood board, etc.	Dec 2005 – Apr 2006
Apply for federal and state LIHTC, state RHTF Project Award (RHTF- PA"), state HDRF Award, etc.	Dec 2005 – Jan 2006
Obtain pre-development and interim financing commitments.	Feb 2006
Apply to state DLNR for Environmental Assessment ("EA ") Finding of No Significant Impact ("FONSI")	Jan 2006
State RHTF-PA ("RHTF") approval	Jun 2006
State OEQC issues FONSI	Jul 2006
LIHTC and RHTF-PA awarded by state	Jul 2006
Governor signs LIHTC and RHTF-PA award letters	Aug 2006
Lease property from DLNR	Aug 2006

EXHIBIT A

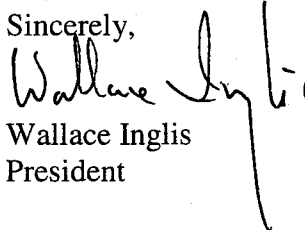
The approvals described above shall be according to the subjective good faith business judgment of CSH, acting in its sole discretion.

The basis of the Target Pro Forma Dates for the government financing applications is the state HCDCH's schedule in its 2006 Consolidated "RHTF/LIHTC" Application (Exhibit 4). The dates for city and state government approvals are estimates based on approvals for similar projects, recently completed or in process, by various members of CHS's development team. We hope that DLNR will acknowledge the element of uncertainty involved in the timing of the approvals and receipt of proceeds from these approvals, and therefore will be somewhat flexible in allowing reasonable extensions should delays occur which are beyond the control of CSH.

Immediately upon approval of CSH's request by DLNR, CSH will pursue the planning and financing of a very low-income rental project on the property. In this process, but only with respect to the property, CSH looks forward to the active participation and cooperation of DLNR, at no cost to the Department. When requested, DLNR would expeditiously assist and provide CSH with authorization to access the site and help process various documents with government and private entities. Such entities would include city planning and building departments, state HCDCH and OEQC, other state agencies, private lenders, and so forth.

We look forward to your favorable consideration of our request

Sincerely,



Wallace Inglis
President

EXHIBIT A

EXHIBIT "B"

COALITION FOR SPECIALIZED HOUSING
2349C Palolo Avenue
Honolulu, Hawaii 96816

October 25, 2004

Mr. Peter Young, Chairman
Department of Land and Natural Resources
1151 Punchbowl Street
Honolulu, Hawaii 96813

Dear Mr. Young:

On behalf of the Board of Directors of the Coalition for Specialized Housing, I am renewing our request that the Board of Land and Natural Resources consider transferring General Lease No. S-4948, held by the Pearl City Youth Complex Association (PCYCA), to General Lease S-5223, held by the Coalition for Specialized Housing (CSH).

The approximately 11 acres of land and buildings known as Hale Mohalu were home for years to Hansen's Disease patients. On February 21, 1985, the entire acreage was transferred to PCYCA. On December 20, 1994, a partial withdrawal (doc. No. 2205273) was completed to grant Lease S-5223 to CSH, a non-profit corporation dedicated to providing housing for low-income elderly, disabled and former Hansen's Disease patients. A complex of 210 units was built in 1996 by CSH on the Hale Mohalu site.

The PCYCA has not developed its property, although it has held the lease for two decades. Nor has it made use of the site's intended purpose as an athletic facility. Certain improvements were made by our contractors in return for use of the site as an equipment staging area during the construction of our apartment complex. The addition of new soccer and baseball fields elsewhere in Pearl City over the past few years has eliminated the need to build even more fields on the still-vacant lot leased by PCYCA.

If the BLNR believes it is time to make that land available for a more productive purpose, CSH is willing to conduct feasibility studies and marketing surveys to determine if expansion of our facilities, including assisted living, would be appropriate.

A member of our Board will contact your office soon to set up an appointment so that we can introduce ourselves and make our case. If you have questions, you may contact me at 734-2313.

Sincerely,

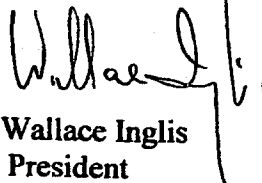

Wallace Inglis
President

EXHIBIT A

EXHIBIT "C"

EXHIBIT 1

COALITION FOR SPECIALIZED HOUSING
2349C Palolo Avenue
Honolulu, Hawaii 96816

June 13, 2005

Mr. Peter Young, Chairman
Department of Land and Natural Resources
1151 Punchbowl Street
Honolulu, Hawaii 96813

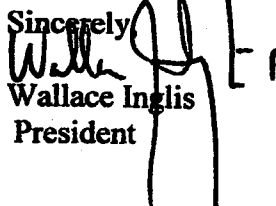
Dear Mr. Young:

On behalf of the Board of Directors of the Coalition for Specialized Housing (CSH), I write to the Board of Land and Natural Resources in regard to General Lease No. S-4948, which was mutually canceled by the Pearl City Youth Complex Association (PCYCA) and the BLNR at the Board's May 13, 2005, meeting. CSH is the holder of General Lease S-5223 for a plot of land adjacent to the land formerly leased by PCYCA.

The approximately 11 acres of land and buildings known as Hale Mohalu were home for years to Hansen's Disease patients. On February 21, 1985, the entire acreage was transferred to PCYCA. On December 20, 1994, a partial withdrawal (doc. No. 2205273) was completed to grant Lease S-5223 to CSH, a non-profit corporation dedicated to providing housing for low-income elderly, disabled and former Hansen's Disease patients. A complex of 210 units was built in 1996 by CSH on the Hale Mohalu site.

This letter is a follow-up to a letter sent to you by CSH on October 25, 2004, in which we expressed our interest in acquiring the lease for the portion then held by PCYCA. It is our desire to expand our Hale Mohalu Senior Apartments complex and help the State of Hawaii meet its ambitious affordable housing goals. In December of 2004, not long after meeting with Charlene Unoki of your Land Division, CSH board members met with Stephanie Aveiro, Executive Director of the state's HCDCH. She was very supportive of our idea of acquiring the Pearl City land for development of affordable housing. She may have corresponded with you on this matter after our meeting with her.

If the BLNR believes it is time to make the land available for a more productive purpose, CSH would like to become part of that process. If there are plans to re-issue the former PCYCA lease, please let us know what steps we would need to take to be considered as a lessee. I may be contacted at 734-2313.

Sincerely,

Wallace Inglis
President

cc: Stephanie Aveiro

EXHIBIT A

EXHIBIT

66 C 77

EXHIBIT 2

LINDA LINGLE
GOVERNOR



STEPHANIE AVEIRO
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX (808) 587-0600

PAMELA Y. DODSON
EXECUTIVE ASSISTANT

JIN REPLY: 05:OED-189

June 28, 2005

To: Peter T. Young, Chairperson
Board of Land & Natural Resources

From: Stephanie Aveiro *ra*
Executive Director

Subject: General Lease No. S-2948, Coalition for Specialized Housing (CSH)

I am writing in reference to the June 13, 2005 letter from Mr. Wallace Inglis, President, Coalition for Specialized Housing, with reference to General Lease No. S-4948 which was formerly leased by the Pearl City Youth Complex Association (PCYCA).

On February 21, 1985, approximately 11 acres of land was transferred to PCYCA. On December 20, 1994, part of this acreage, Lease S-5523, was granted to CSH who built a 210-unit complex in 1996 for housing for low-income elderly, disabled former Hale Mohalu patients.

The CSH is now interested in acquiring the lease for the portion of land held by PCYCA in order to expand their Hale Mohalu Senior Apartments complex.

The Housing and Community Development Corporation of Hawaii supports this endeavor of CSH to be a lessee to the former PCYCA land for developing of affordable housing which is critically needed in the State of Hawaii.

Your consideration of this request is kindly appreciated.

c: Wallace Inglis

EXHIBIT A

EXHIBIT ^{EE} C ^{TT}

EXHIBIT 3

Schedule of Important Events

Program	Application Available Date	Applications Due Date	Awards Date	Availability of Funds (Subject to availability of funds)
LIHTC From State's Annual Volume Cap	November 8, 2005	January 20, 2006 at 4:00 pm	May/June, 2006	Subject to availability of State's LIHTC volume cap.
LIHTC With Tax-exempt bond	November 8, 2005	Open, applications accepted throughout the year.	Depends on the date an application is received.	Subject to issuance of tax-exempt private activity bond.
RHTF	November 8, 2005	January 20, 2006	To Be Determined <i>Note: RHTF program requires the HCDCH Board to adopt an approved and rejected list prior to award.</i>	Upon Governor's approval and satisfactory completion of required documentation.
HMMF:	November 8, 2005	Open, applications accepted throughout the year.	Depends on the date an application is received.	Upon Governor's approval and satisfactory completion of required documentation.
RARF	November 8, 2005	Open, applications accepted throughout the year.	Depends on the date an application is received.	Upon Governor's approval and satisfactory completion of required documentation.
DURF	Open, applications accepted throughout the year.			Upon Governor's approval and satisfactory completion of required documentation.

All dates are subject to change

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
DEPUTY DIRECTOR

DEAN NAKANO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

MEMORANDUM

To: Charlene Unoki, District Land Agent

From: Keith Chun, Planning and Development Manager

Date: January 4, 2006

Re: Request for Comments
Location: Waimānoa, Oahu, TMK (1) 9-7-19:35
Applicant: Coalition for Specialized Housing

The subject parcel is currently zoned P-2 (preservation) under the City and County of Honolulu's Land Use Ordinance. The applicant's proposed housing project is not a permitted use within the P-2 zoning district, and therefore, in order for the project to developed, the parcel must first be rezoned. The Applicant's proposal should address this requirement.

EXHIBIT *66* *D*

EXHIBIT A

APPLICATION AND QUALIFICATION QUESTIONNAIRE
(Non-Profit)

Write answers in the spaces provided. Attach additional sheets as necessary, clearly indicating the applicable section number.

Part I: General Information

1. Applicant's legal name: Coalition for Specialized Housing
2. Applicant's full mailing address:
2349C Palolo Ave, Honolulu, Hawaii 96816
3. Name of contact person: Wallace Inglis, President
Contact person Phone No.: 734-2313 (H); 586-6571 (O) Fax No.: 586-8464
4. Applicant is interested in the following parcel:
Tax Map Key No.: (1) 9-7-19:35 Location: portion of government lands situated at Manana and Waimano

If Applicant is current lessee: General Lease No.: Applicant leases adjoining property (General Lease No. S-5223)

5. When was Applicant incorporated? January 9, 1989
6. Attach the following:
 - A. Articles of Incorporation
 - B. Bylaws
 - C. List of the non-profit agency's Board of Directors
 - D. IRS 501(c)(3) or (c)(1) status determination
 - E. Tax clearances from State of Hawaii and respective county Real Property Tax Office.
 - F. Audited financial statements for the last three years. If not audited, explain why.
If Applicant is a new start-up, attach projected capital and operating budgets.
 - G. Any program material which describes eligibility requirements or other requirements to receive services

Part II: Qualification

7. Is Applicant registered to do business in Hawaii: Yes x No
8. Has Applicant received tax exempt status from the Internal Revenue Service? Yes x No
9. Is Applicant licensed or accredited in accordance with federal, State or county statutes, rules, ordinances, to conduct the proposed activities? Yes No x

List all such licenses and accreditations required:
NA
10. Is Applicant in default or otherwise not in good standing with any State department (e.g. POS agency, DCCA, DLNR, etc.)? Yes No x

11. Has Applicant had a State of Hawaii lease, permit, license, easement or sale in fee cancelled within the last five years? If yes, list: Yes No x

Doc. No. Type of Agreement Term of Agreement

12. Does Applicant have any policies which discriminate against anyone on the basis of race, creed, color, national origin, sex or physical handicap? Yes No x

If yes, explain:

13. Has Applicant received funding from a federal, State, or county government agency, the Aloha United Way, and/or a major private foundation within the last three years? Please list all such contracts below: Yes X No

<u>Agency</u>	<u>Contract Term</u>	<u>Contract Amount</u>
State Dept. of Health	2004-2005	\$ 24,000

Grant made under Healthy Hawaii Initiative to provide exercise classes, nutrition program, and other health related activities for residents of Hale Mohalu Senior Apartments, Pearl City

Frear Eleemosynary Trust	2005	\$ 25,000
McInerney Foundation	2005	\$ 20,000

Both grants, totaling \$45,000 were donated as partial payment toward purchase of a 2005 wheelchair accessible bus (cost = \$67,000) for residents of Hale Mohalu Senior Apartments

14. If Applicant has not received funding from a federal, State or county government agency, the Aloha United Way and/or a major private foundation during the past three years, describe Applicant's qualifications to effectively perform the proposed services, including but not limited to, grants or subsidies received from non-major, private funders and/or staff or Board members who possess significant experience in Applicant's service field.
- Applicant has formed a project team for the proposed development that has considerable and current experience in the planning, financing, construction, and management of low-income rental housing. Since 1999, the project team has completed, or is currently developing, eight affordable housing family and senior rental projects in Honolulu, comprising over 500 units. Funding for the projects has come from various sources—e.g., State HCDCH low-income federal and state tax credits, Rental Housing Trust Fund loans, city HOME and CDBG grants, Seattle Federal Home Loan Board grants, etc. Two low-income rental projects currently are under construction by the project team have monies from all of these sources.

EXHIBIT A

Part III: Program Activities and Persons to be Served

15. What activities will be conducted on the premises to be leased?

Initially, activities will involve the construction of housing for low-income rental housing. After completion of construction, management of the units will occur. The intent is also to provide supervised activities of a social and educational nature (comparable to those presently offered at the Hale Mohalu complex) as required.

16. What are the specific objectives of these activities?

A major objective is to provide decent and affordable housing for people who would not otherwise have this opportunity. In addition, for seniors, Hale Mohalu programs (as described in #15 above) and case management resources providing counseling, assistance in obtaining transportation, light housekeeping, financial assistance, etc, will promote the "aging in place" concept to allow them to remain in the building as long as possible and with dignity.

17. Describe the community need for and the public benefit derived from these activities.

Hawaii's skyrocketing real estate market has essentially eliminated affordable rental units for a sizable number of our people. Numerous studies have demonstrated the need for more affordable housing in communities throughout the state. It is a top priority of the current state administration to promote and facilitate the construction of more affordable housing. This is further evidenced by the state HCDCH Director's letter supporting the direct leasing of the property to the Coalition for Specialized Housing. The need for affordable housing is dire and immediate.

18. Describe the targeted population for these activities by: 1) age group, 2) gender, 3) ethnic background, 4) income level, 5) geographic location of residence, 6) special needs/disability, and 7) other applicable characteristic(s).

As with the Coalition for Specialized Housing's Hale Mohalu Senior Apartments, the proposed project on the adjacent land will have low-income rentals for seniors 62-years of age and older. Also under consideration is the expansion of this target group to include low-income families and persons with special needs. The desired income target market is 60% AMI (Area Median Income) and lower; this will depend on financing availability, project and construction costs, etc. The project will be non-discriminatory with respect to gender, ethnicity, etc.

19. Describe all eligibility requirements of clients to participate in the activities, e.g. age, income level, ethnic background, income level, disability, etc.
At this preliminary planning stage, it is premature to describe such requirements—other than age and income (see #18).

20. Do you require membership to participate in these activities? Yes No X
If yes, list the requirements of becoming and remaining a member:

21. How many unduplicated persons will engage in the activities annually?

Activity

Persons Per Year

Unable to calculate or predict this number at this stage in our project's development.

22. Is State funding made available for the activities to be conducted on the leased premises? Yes x No

If yes, by which State agency: Department of Health has provided funds in the past for similar activities (see #13). Also, HCDCH provides Rental Housing Trust Funds and state Low-Income Housing Tax Credits.

23. List all activities to be conducted on the leased premises which require payment of excise taxes, e.g. subleasing, sale of products or services. Include an estimate of annual gross revenues from each activity.
No such activities are projected.

Development of the Land

24. Describe the proposed site development plan for the property, indicating the location and size of buildings, parking areas, landscaped areas and related uses. Attach sketch of plan if available.
Conceptually, and subject to change upon further design, engineering, coordination with Neighborhood Board, city and state agencies, City Council, available financing, etc., a possible plan would be for three buildings master-planned on the property. Two of the three could be for families and the third for seniors. Each family rental building could have 83 two- and three-bedroom units and a resident manager's unit. The senior rental building could have 80 one-bedroom units and a resident manger's unit. There would be parking conveniently located for each building. The family buildings would have a minimum of 1:1 tenant, plus 10% guest parking. The senior building would have a minimum of 1:4 (one stall per four lunits) tenant, plus 10% guest parking (based on experience wth other completed senior affordable rental projects). A professional landscape architect will be part of the project team to enhance the appearance and privacy of the project. (Attached is the conceptual site plan for the property.)

EXHIBIT A

25. What improvements to the land do you intend to make and at what cost?

The improvements to the land will be those that are required to develop the proposed low-income project, and the various reviewing governmental agencies. Besides what has been described in #24 above, ingress-egress via Kamehameha Highway, drainage, sewer, water, security fencing and lighting, etc. are other improvements that will be considered. Based on ongoing development of similar projects, pro forma planning and construction estimates for each family rental project is approximately \$22 million. For the senior development, the pro forma planning and construction cost estimate is approximately \$17 million.

26. How will the improvements be funded?

Proposed pro forma funding will be from federal and state low-income housing tax credits, state Rental Housing Trust Fund, equity, Central Pacific Bank, and Housing and Community Reinvestment Corporation (HCRC). Additionally, we intend to seek financing from the city for HOME and CDBG grants to reduce the amounts of tax credits and trust funds needed. Also, we will attempt to work with private land developers and the city, to qualify the proposed project's low-income units as housing credits, for in-lieu cash from the land developers who have requirements with the city for development of low-income housing.

27. Describe all environmental, land use and other permitting requirements which must be met to develop the land as proposed.

Environmental Site Assessment-Phase 1, Environmental Assessment, FONSI, Chapter 201G, HRS, Foundation Permit and Building Permit.

28. Will you be subleasing any portion of the property? If yes, describe the sublease uses:

No

Part V: Notarized Certification

I/We hereby certify that the statements and information contained in this Application and Questionnaire, including all attachments, are true and accurate to the best of my/our knowledge and understand that if any statements are shown to be false or misrepresented, I/we may be disqualified from receiving a lease or my/our lease may be canceled.

Applicant Name _____

Applicant Name _____

By: _____ By: _____

Its: _____ Its: _____

Date: _____

COALITION FOR SPECIALIZED HOUSING

1588 Kapiolani Blvd., #1604
Honolulu, Hawaii 96814
808.429.7815 (O) · 808.356.0455 (F)

December 28, 2006

Mr. Peter T. Young, Chairperson
Department of Land and Natural Resources
PO Box 621
Honolulu HI 96809

Subject: Request for Extension to obtain a Finding of No Significant Impact ("FONSI") in compliance with Chapter 343, HRS, as amended, and for Low-Income Housing Purposes, Waimano, Oahu, Tax Map Key: (1)9-7-19:35.

Dear Mr. Young:

The Coalition for Specialized Housing ("CSH"), respectfully requests a six month extension until July 13, 2007, in order to finalize its Environmental Assessment ("EA") to the Department of Land and Natural Resources ("DLNR") and obtain a Finding of No Significant Impact ("FONSI") for development of low-income rental housing on the Subject vacant parcel in Pearl City, adjacent to CSH's existing Hale Mohalu senior low-income rental project.

CSH is a private non-profit 501(c)(3) organization dedicated to providing low-income housing here in Hawaii. It has a Board of Directors made up of volunteers from a broad cross-section of the Hawaii community, and is the owner of the Hale Mohalu senior low-income rental project in Pearl City. On January 13, 2006, we were fortunate to have our request for a lease to develop additional low-income rental housing on the adjacent Subject vacant property approved by the Board of Land and Natural Resources ("BLNR"), subject to satisfactory compliance with Chapter 343, HRS, as amended, and obtaining a Finding of No Significant Impact ("FONSI") within twelve months.

We are making our extension request in spite of the considerable progress that CSH is making, since it is quite certain that the process of obtaining the FONSI will go beyond the January 13, 2007 date established by the BLNR. The status of our progress so far is as follows:

- a) Project team...
 - a. Archaeological Consultant: Cultural Surveys Hawaii, Inc.;
 - b. Architect: Steven Wong, M&A, Inc.;
 - c. Contractor: Mitsunaga Construction, Inc.;
 - d. Lender (planning and construction): Central Pacific Bank;
 - e. Low-Income Housing Tax Credit Syndication and Permanent Lender: HCRC
 - f. Planner: Kusao & Kurahashi, Inc.;
 - g. Project Manager/Development Consultant: Gary Furuta;
 - h. Soils Engineer: Hirata & Associates, Inc.;
 - i. Surveyor: Alcon & Associates, Inc.
 - j. Traffic Consultant: Julian Ng (Draft report, September 15, 2006)

b) Planning Status...

- a. Area Council Member and Legislators' contact/briefings: completed and supportive;
- b. Conceptual drawings: completed and ongoing;
- c. Cultural Impact Assessment & Archaeological Inventory Survey: proposal received;
- d. Draft Environmental Assessment ("EA"): to be submitted early January, 2007;
- e. Foundation/soils investigation: completed;
- f. Neighborhood Board (Pearl City) presentation: September 26, 2006;
- g. Topographic and boundary survey: completed.

The Cultural Impact Assessment and Archaeological Inventory Survey requested by SHPD for the property were unexpected in that in our other completed projects these reports were required only when city funds were used. Nevertheless we have obtained proposals from Cultural Surveys Hawaii, Inc. [Item b) c., above], and are prepared to move ahead with the studies upon receipt of the extension from the BLNR. We also are proceeding with a pre-development loan with CPB to continue our planning process.

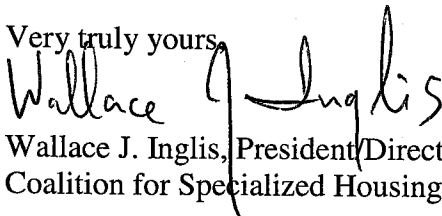
The development of the property will be a low-income rental project, preliminarily as follows:

1. Target Market: senior and family low-income renters whose household incomes are between 30% and 60% of the AMI (Area Median Income);
2. Number of buildings: four residential rental buildings comprised of two senior and two family buildings, and one community building. Construction of buildings will be phased;
3. Height of buildings: proposed rental buildings are seven stories. The community center is currently planned as a one story building;
4. Number of units: 332 total (including resident manager); 164 senior one-bedroom rental apartments (approx. 420 sq. ft.) in two buildings, and 168 two/three bedroom family rental apartments (approx. 591-751 sq. ft) in two buildings.
5. Architectural drawings: draft conceptual plans are attached.

If you need additional information or have questions please do not hesitate to contact either Gary Furuta (gfuruta@hawaii.rr.com; 429-7815), or (wallyinglis@yahoo.com; 586-6386; 734-2313).

We look forward to your favorable response, as we move ahead with the development of critically needed affordable housing here in the islands.

Very truly yours,


Wallace J. Inglis, President/Director
Coalition for Specialized Housing

Cc: Ms. Charlene Unoki, DLNR District Land Agent
Gary S. Furuta, CSH Project Manager

Attachments



Aerial view of vicinity from <http://gis.hicentral.com/website/parcelzoning/viewer.htm>

Figure 1 – Project Location

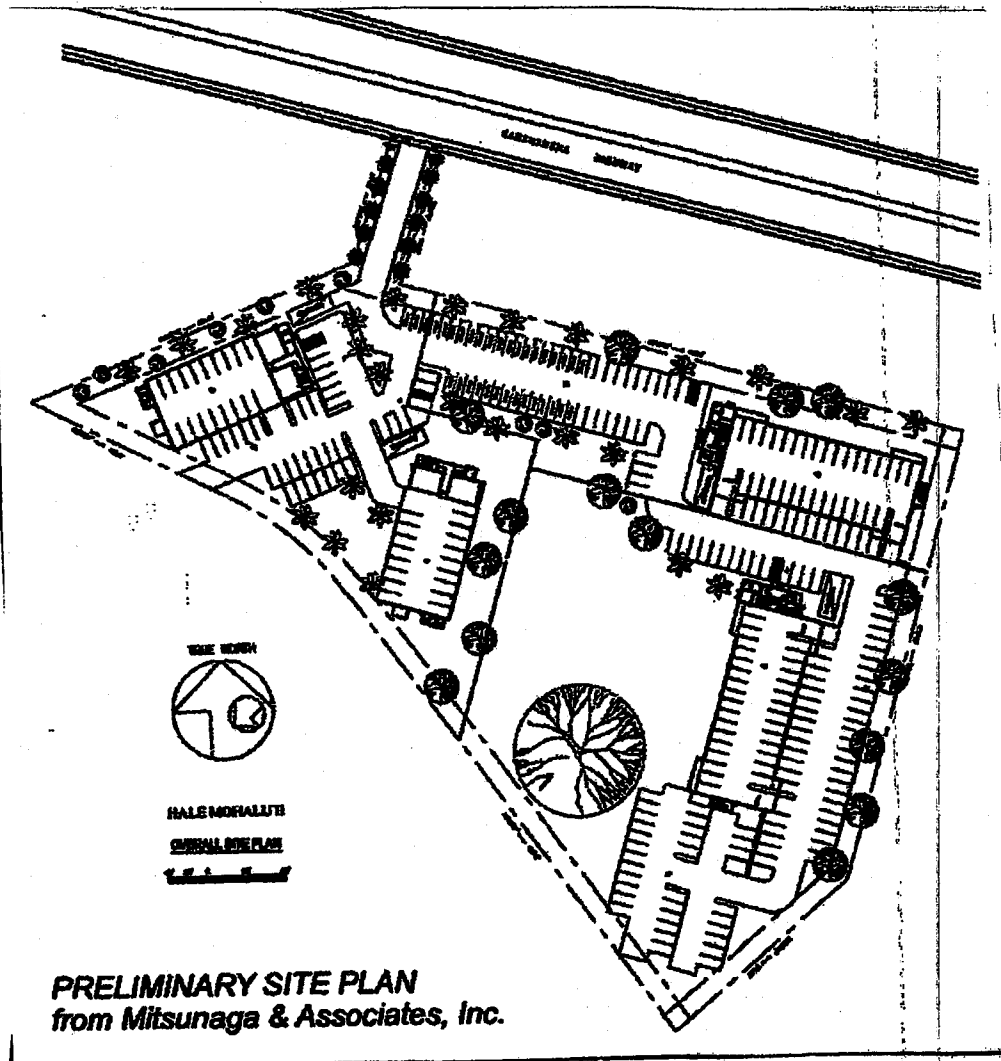


Figure 2 – Site Plan and Adjacent Properties